

# WIC Futures Study Group

April 30, 2009

Elkhorn Room, Holiday Inn Conference Center Downtown  
22 North Last Chance Gulch, Helena, MT

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## Introduction

In response to financial, structural, and operational challenges within the Montana Women, Infants, and Children (WIC) nutritional program, the WIC Futures Study Group was convened to evaluate and revise the WIC service delivery system to provide effective, efficient, and high quality services to the greatest number of participants possible.

The eighth meeting of the group was held on Thursday, April 29, 2009. The following is a report of the meeting activities.

### Participants included:

Mary Beth Frideres	MPCA	Bill Hodges	Big Horn County HD
Joan Bowsher	DPHHS/WIC	Dorothy Bradshaw	Lewis & Clark CCHD
Kim Mondy	DPHHS/WIC	Carrie Reynolds	DPHHS/WIC
Corinne Kyler	DPHHS/WIC	Barbara Skoyen	Fort Belknap WIC
JoAnn Dotson	DPHHS/FCHB Chief		
Mark Walker	DPHHS/WIC	<u>On the phone:</u>	
Linda Stallings	DPHHS/WIC	Kathleen Jensen	Sheridan County HD
Linda Best	Deer Lodge/Beaverhead County WIC	Vicki Ruby	Sheridan County HD
Tom Mexican Cheyenne	Northern Cheyenne Tribal Health	Jeannine Lund	Flathead CCHD
		Jeannie Siefert	Dawson County HD
		Karen Dwyer	Sanders County WIC

The meeting was facilitated by Mary Beth Frideres of the Montana Primary Care Association. The desired outcomes for the session were as follows:

By the end of this session, participants will have –

- Participated in a Quality Improvement update from the state and local perspective;
- Learned about the effect of Federal stimulus funds on the WIC program and had the opportunity to ask questions;
- Discussed and decided FY2010 state WIC funding strategies;
- Discussed and decided if another meeting is needed and if, yes, created a draft agenda for that meeting.

## Opening Comments

Opening comments were made by Joan Bowsher, DPHHS WIC Director. Introductions were then made and the group reviewed the agenda.

## Update on Federal Stimulus Funds

Jean Liekhus, Program Director, USDA Food Nutrition Service, Mountain Plains Region joined the group on a conference call. Kathy Young and Vee Ann Miller, RD, also from the Regional WIC office, participated on the call, as well. Jean acknowledged the good team efforts in Montana. She described the scope of responsibility for the Regional WIC office. They work with 20 state agencies, 10 states and 10 Indian agencies.

Jean reported that because of the continuing resolution for federal program funding, Joan Bowsher did not know what the state WIC funding level would be until April 2009. The Regional WIC office is allowed to take 10% of the allocation they receive and distribute it in the way they see fit. These are the OA funds. They have received many MIS requests and the OA funds are the pot from which MIS funds were typically awarded.

The ARRA (American Recovery and Reinvestment Act) or “stimulus” funds will be used to fund MIS requests to “enhance WIC technology.” \$500 million of stimulus funds will be given to WIC nationally. Of that amount, \$100 million is set aside for MIS. As it takes a long time to get MIS projects up and running, they asked for and received permission to spend the remainder of the funds through 2010.

These ARRA funds (being used for MIS) should create new jobs or keep people employed. MIS Priorities:

1. Projects under state award – State Agency Model (SAM) systems - states grouped together for joint procurement. This project is underway in the Mountain Plains Region. In the middle of developing a model system, however, a new food package was added.
2. SAM transfers – grants are being extended.
3. EBT systems – money will be awarded to finish these projects
4. New EBT planning grants – states can apply
5. Other technological projects – guidance by May

OA – Montana did well and will receive \$957,488. Joan has asked for most of this to be used for caseload maintenance. Jean said Joan is always trying to get as much as she can for the locals. Here is a history of the funding:

2007 - \$645,000  
2008 - \$675,000  
2009 - \$814,942  
2010 - \$957,488

Jean reported that since the need for food dollars is greater than the need for staffing during this economic downturn, contingency (stimulus) funds will also be awarded. Each state must come up with a plan if they are going to need additional food funds.

From an NSA standpoint, the food dollars are calculated using the number of participants and how much food costs. 35% for administrative dollars is typical in the region. Montana receives 50% for administration. Another portion of ARRA funds (\$400 million) is to be used for contingency funding. Most of this will be spent on food. So far, the National Office has spent \$50 million “to make states whole.”

Jean described how states can participate in a reallocation process every other month. Joan requests additional funds, as needed. In the April reallocation process, Joan reported Montana received about \$3,000.

In another regional process, \$1 million will go out to solicit general infrastructure grant proposals for two year funding (09 and 10).

All in all, Jean said the future for WIC looks good. Getting the new food package out is the priority. The plan must be implemented on time. The new MIS system is coming and will work well. EBT is coming.

Dorothy Bradshaw asked about the SPIRT implementation and how participation drops during the implementation of SPIRT would be taken into account? Jean said, “Numbers are numbers,” implying that there may be a drop in funding if the participation numbers drop significantly.

## **Update on Quality Improvement Activities**

Joan reported on the QI activities from the state perspective, noting many changes. WIC no longer issues non-contract infant formula and fewer signatures are needed. They have received good feedback on the bi-monthly conference calls. The calls will be used for training regarding the food package rollout and the SPIRT system rollout. The State is also receiving good feedback on the weekly WIC newsletter which goes out on Monday mornings. Surveys have been discussed and a participant survey and a local agency staff survey has been created. The results of the participant survey should be available by the end of summer and the staff survey will be offered through Survey Monkey. The Montana EBT planning grant application is being reviewed in Washington, D.C. Those grants will be funded through the stimulus package. The State has requested extra funding for the SPIRT rollout.

From a local perspective, Linda Best thanked the State for WIC 101 training and Jeannine thanked the WIC Futures Study Group for all of their work.

## **State WIC Program Funding Information**

Joan referred the group to the Excel spreadsheet that was sent out to everyone before the meeting. There was alarm expressed by many who looked at the document before the meeting and Joan had received phone calls asking where all of the money went. Joan reminded the group that the OA funds were never meant to be permanent and that the group decided to include them in the total last year. Joan feels that, as they are not guaranteed and, as Jean reported, Montana already gets a larger amount than other states, it is risky to include them. Joan also backed out the \$85,000 in carry forward funds that Marie Matthews said we could recover from the overestimate in the state allocation plan (less computers, overestimated time needed by lawyers). Dorothy Bradshaw wondered why these savings would not be demonstrated year over year. Corrine reported that the budget reflects that program costs are decreasing – supplies, materials. Joan said that there are still six months to get through and that there could be increased expenses due to the SPIRT rollout. Dorothy asked if the savings from the decreased expenses identified by Corrine will be transferred to the locals. Corrine said it really is too early to project but she will let the group know a little further down the road. Joan said that the late budget authorization was stressful. They put so much of the requested money into the contracts that went out that they were actually considering pulling funds from the contracts. “There is a problem putting so much of the OA money in upfront,” she said, “every time we up our request, we risk not getting approval.” Joan again expressed her concern with putting in \$85,000 of carry forward funds. **She said it would be better to see if there is extra carry-forward funding, the OA request is approved and if any stimulus funds are available. Contracts can be modified in January when the State closes out '09.**

Dorothy wondered how proposing less funding now might impact participation rates. If there is less money and that equals less service, won't rates go down? Won't that hurt the program in the long run?

Linda Best told the group there is only so much money and so many clients. It would take a large increase in participation, she said, before we could impact our federal allocation. She noted that our country has gotten into a lot of trouble recently because we have spent more than we had. She said the proposed budget looks to her like we are already going to spend \$337,582 that we don't have.

Jeannine asked if there was a backup plan – something the locals can do if we don't get the funds that are projected. Joan said that the group has talked about more efficient ways to deliver services such as multiple months of checks, providing services in alternative ways (e.g. webcams, remote access). There are lots of possibilities, she said. Jeannine asked what would happen if there was a disaster. Joan noted that there is no disaster plan. Local agencies should work with their local health department for specific disaster planning. The State WIC Program has a disaster recovery plan for IT services and would support local agencies in their disaster recovery efforts.

Kathleen Jensen said that she agrees with Linda and that if the frontier areas are cut, they will need guidance about how to provide services more efficiently. She said they need help to identify specific ways to be able to serve people. She feels that WIC must budget what they have, not project forward because her county will not subsidize WIC.

Jeannie Siefert expressed concerns about being fiscally responsible. She said building a program based on more money and then cutting back would be difficult. "If we get a bonus – great," She said.

Tom asked if the State was open to delivering services in different ways and Joan said yes.

Dorothy wanted to know what the real risk was that the feds would cut back. Joan said the budget does include \$337,000 and noted that our 10% of OA funding is about that amount. Our 10% is in the \$400,000 range, said Joan. When we ask for more than that – an additional \$100,000, for example, that is shaky ground. The Feds had only approved us for 10% before the stimulus money. Joan agreed that the future looks good when considering the \$400 million in contingency funding but warned that because the cost of the new food package is going up, that might not cover all of the expenses.

Dorothy asked when the last time that OA requests did not get funded was. Joan said the feds are still not funding \$200,000 in special projects for FY 2009. Dorothy wondered again if cutting the funds upfront would impact participation and hurt the program overall. Joan said we cannot get more money unless there are many, many more participants. For example, Joan said that the reallocation that Montana received in April was \$2900 and other states got hundreds of thousands of dollars. Corrine noted that increasing participation by 50% (10,000) might make a difference.

Joan talked about what has not been said. She related that regionalization must be looked at again. Local agencies must review how they provide services. Monitoring teams report under-scheduling and not observing staff working at maximum output. There are many no shows. Is this efficient? Some clinics have no clients scheduled or coming in for a whole day and 2 staff onsite. Staffing levels should be at 300 clients per each staff member or does a clinic need as many hours? We must look at ways to be more efficient.

Linda said that everyone is comfortable with how we do business but Joan is correct – there is time wasted. We need to look at this in a more positive way – like a challenge. We should get together, discuss strategies and make plans to be more efficient. We could use the LEAN method to do this. We would like more money but when we look at the total picture of our country, are we going to have the money to spend? We will probably use funds to feed people, but cuts may come to the administrative funds. Looking at efficiencies now is necessary.

Karen Dwyer said that some states are more efficient such as those that provide a face-to-face every 6 months. We may have to look at it that way. We have to look at how we offer services – mailing – webcams. We used to offer a less-than-Cadillac food package and quicker service for a few months. Karen added that, "We shouldn't spend money we don't have."

Jeannie said that some of the smallest clinics have increased their caseload by 12% by using LEAN methods and changing how we do business. It is too easy to look at only the rural areas, we need to focus on the client and realize that rural clients don't have other resources. Food banks, for example, may only be open once a month. We developed principles and we should use them. Linda said she agreed with what Jeannie said.

## Development of WIC Funding Formula

The group took a break and during that time the facilitator asked Joan, knowing what she knows about the Feds and the budget, how much she would be willing to risk putting into the funding formula. Joan and Corrine talked over the numbers, where they were in the budget year, projected expenses, and requests for additional funding and when the group came back from break, offered to put \$100,000 back into the sum total of what the group would have to use for the formula. This was their best effort to identify a calculated risk – one they were somewhat comfortable with. Joan said if the program does not get quite that much, maybe carry forward funds would cover the difference. The group was grateful for the offer and expressed their thanks.

A piece of the picture that is missing was pointed out. The group requested that Joan provide the state budget figures which include the state allocation plan. This was provided to the group last year but was not prepared in time for the meeting. Joan agreed to do that.

Many members of the group noted that the ideas about efficiency/standardization/and quality should not be dropped. It would still be important to discuss these topics going forward to assure a financially sound future.

Before working on the formula, the group reviewed each of three emails (from Ellen Leahy, Stephanie Nelson and Vicky Tusler) that the state had received about the funding formula exercise. (See WIC Futures Study Group website for copies of these documents: <http://www.dphhs.mt.gov/PHSD/family-health/nutrition-wic/WIC-futures-study-group.shtml>.) This is a summary of the issues noted in the emails:

- Changes in the funding formula that the group recommended and DPHHS adopted last year might increase the cost per client, take away performance based on caseload, and go against the agreement of the study group at the last meeting to not look at significant formula changes.
- Some of the OA money should be included in the matrix even though Montana might not get it. Cuts should be made when they are real, not prematurely.
- The reduction in cost allocation due to cutting the number of computers should be an on-going savings.
- More work is needed on regionalization and lead agency roles as well as tele-services.
- The six month period for evaluating client numbers that was used last year hurt some clinics.
- The change in the funding formula last year was a benefit to the larger clinics at the expense of the smaller ones. No regard to the number of clinics or the cost (staff time and gas) of travel to rural communities was taken into account. Clinics have closed.
- Health status disparities (Gestational Diabetes and Obesity) exist for women in rural areas compared to urban areas of the state. Reducing the number of face-to-face visits makes quality services to address these disparities difficult.
- Increase in grants to lead agencies does not take into account the number of counties served and travel costs, not number of participants.
- As locals take over state duties, they should be compensated for that work.
- Lead agencies have increased administrative costs due to more communication with clinics, additional bookkeeping and accounting, increased number of contracts to monitor, providing professional staff services (RD, breastfeeding counsel).

Proposals/recommendations from the emails were:

- Keep the funding formula as is, i.e., based on participation.
- Allocate \$100,000 of the OA funds into the matrix.
- Include money saved in the state cost allocation plan from a reduction in computers into the matrix.

- Work more on reorganization, lead agency roles, and tele-services to distant communities.
- Base the matrix on the average participation number from the past three months (January/February/March).
- More money should be given for administrative costs to lead agencies in rural areas.

Each of these issues and recommendations were discussed at length by the WIC Futures Study Group. The group felt that making changes before the upcoming implementation of the SPIRIT system might be a mistake as that system will change much about how the program operates now. In the meantime, the group agreed that local agencies need to look at their own structures and try to work more efficiently. Are very part-time employees the best way to go? Could developing a relationship with a professional in a small town be more efficient than driving to that town?

After the discussion, the group agreed to go forward with a formula based on participation and a set amount for lead agencies (same as last year). The \$100,000 that the state agreed to risk was placed back into the matrix. No funds for state cost allocation plan savings due to decreased computer/attorney use was added at this time. The group also agreed that the past 12 months would be averaged for the number of participants to place into the matrix (April 1, 2008 through March 31, 2009). The amount per client worked out to be \$173.01.

The agreed-upon matrix reflects the formula and is presented as the group recommendation. (See WIC Futures Study Group website for a copy of the final spreadsheet: <http://www.dphhs.mt.gov/PHSD/family-health/nutrition-wic/WIC-futures-study-group.shtml>.)

At the request of study group members, Joan agreed to send out the state budget (2009 and 2010), including the cost allocation figures within the next week. A conference call to discuss the documents will be scheduled the week of May 11<sup>th</sup>.

### **Agenda for Next Meeting**

The group discussed the need for another meeting. Joan told the group that there will be so much going on with the implementation of SPIRIT, the stimulus funding, EBT, etc., that it would be difficult to have another WIC Futures Study Group meeting until February of 2010. The group discussed the need to replace members who wish to leave and members that have taken other jobs. The group felt that replacing members who have taken other jobs between now and February is fine but keeping everyone else until the February meeting was important. At that time, membership terms can be discussed and the structure of the group could be formalized. In the meantime, Linda suggested that the group members solicit ideas about regionalization so that information is available for the February meeting. The group agreed to use the routine WIC conference calls to bring up or discuss pressing issues until then.

#### Agenda items for February 2010:

1. Formalizing the structure of the WIC Futures Study Group (example: member terms)
2. Regionalization
3. Lead Agency Issues/Roles
4. Quality Improvement/Efficiency

### **Public Comment**

There were no members of the public present at the meeting.